

**UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION
CASE NO. 3:08-cv-391-RJC**

SALSARITA’S, INC.,)
)
Plaintiff,)
)
vs.)
)
SGH MANAGEMENT, INC., STUART)
HEATHERINGTON, and GINA)
HEATHERINGTON,)
)
Defendants.)

THIS MATTER is before the Court on Plaintiff’s Motion for Preliminary and Permanent Injunction (Doc. No. 6) pursuant to Rule 65 of the Federal Rules of Civil Procedure, the Lanham Act, 15 U.S.C. §§ 1114 and 1125(a), and the North Carolina Trade Secrets Protection Act, N.C. Gen. Stat. § 66-154(a), and it appearing to the Court that the parties have reached an agreement and consented to the entry of the Order for Preliminary Injunction set forth herein, the Court is of the opinion that the Motion should be allowed and that entry of a Preliminary Injunction is appropriate.

IT IS, THEREFORE, ORDERED:

1. Defendants are enjoined from continuing to operate the restaurant located at 8521 Brier Creek Parkway, in Raleigh, North Carolina (the “Restaurant”), as a Salsarita’s® restaurant.
2. Defendants are enjoined from directly or indirectly owning, managing, operating, maintaining, advising, consulting with, investing in, being employed by, or engaging in any competitive business offering to the public Mexican food and beverage products or services substantially similar to those offered by Plaintiff Salsarita’s, Inc. (“Salsarita’s”), whether at 8521 Brier Creek Parkway, Raleigh, North Carolina

27617, or within a two-mile radius of that location or any other Salsarita's restaurant, as provided in Sections XIX(B) and (C) of the Franchise Agreement executed with Salsarita's effective March 31, 2003 (the "Franchise Agreement," attached as Exhibit A to the Verified Complaint and incorporated herein by reference).


3. Defendants are enjoined from using Salsarita's proprietary service marks and trademarks, slogans, symbols, and logos in connection with advertising materials, store signage, products, uniforms, receipts, stationery, menus, forms, or other items; from using Salsarita's proprietary methods, procedures, and techniques in any manner; and from making any representations or taking any actions to suggest that Defendants are in any way endorsed by, licensed by, sponsored by, affiliated with, or otherwise connected to Salsarita's.
4. Defendants are enjoined from using or disclosing Salsarita's trade secrets and confidential and proprietary materials and are required immediately to return to Salsarita's all originals and copies of Salsarita's confidential Operations Manuals and other Confidential Information and Trade Secrets, as those are defined in Section XIII(A) of the Franchise Agreement.
5. Defendants are required immediately to relinquish their rights in the telephone number and listings for the Restaurant and to cancel any assumed name or equivalent registrations in the name of Salsarita's.
6. Defendants are required immediately to take all steps necessary to permit Salsarita's to exercise its right under Section XVII(K) of the Franchise Agreement to assume the lease for the Restaurant from the Lessor, subject to the Lessor's consent, so that

Salsarita's can re-establish an authorized Salsarita's franchise in the Restaurant's location.

7. Defendants are required immediately to provide Salsarita's financial reports for the months of March through August 2008, as required by Section X(B) of the Franchise Agreement, and submit to an audit of financial records relating to the Restaurant, as required by Section X(C) of the Franchise Agreement, so that Salsarita's can exercise its right to acquire Defendants' interests in the Restaurant's assets, pursuant to Section XVII(K) of the Franchise Agreement.

SO ORDERED.

Signed: October 16, 2008


Robert J. Conrad, Jr.
Chief United States District Judge

